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RUEHGV/USMISSION GENEVA 2030  
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SUBJECT: SEOUL - PRESS BULLETIN; March 16, 2009

TOP HEADLINES

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Chosun Ilbo

Taekwang Industrial Chairman Park Yeon-cha Gave Money and Other Things of Value to Some 70 Prosecutors and Ruling and Opposition Lawmakers

JoongAng Ilbo

"Mom School" Warns about Overreliance on Private Education

Dong-a Ilbo

EU Proposes Concluding ROK-EU FTA at April 2 G20 Summit in London

Hankook Ilbo

Conglomerates Face Restructuring; ROK Lenders Set to Review Overall Health of Conglomerates Starting This Week

Hankyoreh Shinmun

Supreme Court Justice Shin Young-chul Likely to be Cleared of Influencing Trials of Anti-U.S. Beef Protestors through a Series of Emails to Junior Judges Involved in the Cases

Segye Ilbo, Seoul Shinmun, All TVs Multiple Homeowners to Get Tax Cut

DOMESTIC DEVELOPMENTS

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North Korea kept the inter-Korean border closed for the third consecutive day yesterday, stranding 761 ROK people in the North, including 726 workers at the Kaesong Industrial Complex. (All)

According to a key ROKG official, the ROKG is reviewing various countermeasures against the North Korean move, including applying the principle of "no work, no pay" to North Korean workers at the Kaesong Complex, in the judgment that Pyongyang needs to understand that any disruption to the operation of the joint industrial complex will also hurt North Korea. (Chosun)

72 ROK companies operating in the Kaesong Complex are concerned that

they would have to stop production if the closure continues for more than six days (starting Sunday, March 15), due to a limited supply of gas, food and other raw materials. (All)

#### INTERNATIONAL NEWS

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According to a recent report by the Congressional Research Service (CRS), North Korea has removed 6,100 out of its 8,000 used fuel rods from its main Yongbyon nuclear facility in an effort to meet disarmament obligations it promised under a 2007 denuclearization-for-aid deal. (JoongAng)

#### MEDIA ANALYSIS

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-North Korea

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Chosun Ilbo on Saturday (March 14) carried an inside-page report noting that North Korea informed not only international agencies but also the U.S. of its plan to launch a "satellite" between April 4 and 8. In a separate report, Chosun also observed that the Obama Administration is toning down its offensive against North Korea, including no longer mentioning the possibility of intercepting a missile launched by North Korea. Chosun headlined its story: "Is

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#### U.S. Taking Steps for Bilateral Talks with North Korea?"

Most of the ROK media reported on Saturday that if North Korea is successful in launching a rocket carrying a satellite as it mentioned in its notification, the rocket will have a range of up to 4,000 kilometers and this is prompting the ROK, the U.S. and Japan to engage in all-out diplomatic efforts to deter the North Korean launch, which they see as a disguised missile test. President Barack Obama was widely quoted as issuing a statement on March 12 warning of risks posed by North Korea's missile plans.

JoongAng Ilbo commented that the decision whether to impose sanctions against North Korea if it goes ahead with the launch hinges on cooperation from China and Russia. JoongAng also editorialized: "The North's missile experiment will shake the balance of security over all of Northeast Asia. First of all, it will stir Japan's anxiety over safety. In 1998 Japan seethed at the North's launch of a rocket that flew over the Japanese islands. Because of the launch, right-wing forces in Japan easily called for enhancement of military capacity and such capacity was, indeed, boosted. The same will happen this time too if the North goes ahead with its plan. That's why some say right-wingers in Japan would welcome North Korea's missile test-launch."

The ROK media today gave prominent play to North Korea's closure of the inter-Korean border for the third consecutive day, stranding 761 ROK people in the North, including 726 workers at the Kaesong Industrial Complex.

Citing a key ROKG official, Chosun reported that Seoul is reviewing various countermeasures against the North Korean move, including applying the principle of "no work, no pay" to North Korean workers at the Kaesong industrial complex, in the judgment that Pyongyang needs to understand that any disruption to the operation of the joint industrial complex will also hurt North Korea. Most of the ROK newspapers carried editorials condemning the North's closure of the inter-Korean border. Dong-a Ilbo, in particular, argued: "The Kaesong Complex cannot continue to run without assurances for the safety of ROK workers. Seoul needs to come up with fundamental solutions this time. With no prospects of political and military dtente between the two Koreas, bilateral economic cooperation projects could derail at any time. Unless Pyongyang immediately reopens the border and provides a strong security guarantee, Seoul should make it clear that it can give up the Kaesong complex altogether. The international community should deal with the civilian-threatening North with a clear understanding of its true

intentions." Hankyoreh Shinmun headlined its editorial: "North Korea Goes to Extremes in Border Closure."

-G20 Minister's Meeting

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Most of the ROK media reported today that finance ministers and the heads of central banks of the G20 pledged to fight "all forms of protectionism" during a March 14 meeting in London to coordinate agendas in advance of the G20 Summit in London on April 2. Chosun Ilbo commented that the finance ministers and the heads of central banks issued a joint statement vowing to take all necessary measures to enable the global economy to recover and to fight trade protectionism but that the forum's effectiveness is being questioned since the joint statement includes many ambiguous points and lacks a concrete action plan.

OPINIONS/EDITORIALS

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What Does Six-Party Talks Mean to Us  
(Chosun Ilbo, March 16, 2009, Page 34)

By Advisor Kim Dae-joong

These days, we are turning our attention to whether North Korea will go ahead with a missile launch and how the U.S. will respond to it.

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North Korea should make a brilliant option to pull the plug on its plan for a missile launch even though it is in the final stage of preparation. This would allow North Korea to cooperate with U.S. efforts toward reconciliation and dialogue, while showing off its power at the same time. By deploying these unexpected tactics, North Korea would grab more of the world's attention than its professed missile launch. Moreover, if this happens, negotiations between the U.S. and North Korea would accelerate and play out in favor of North Korea. This would lead to quick normalization of U.S.-North Korea ties and cause pro-North Korea leftists to reign in Korea.

If the U.S. half-heartedly pursues sanctions even after North Korea makes a successful missile launch, we would find ourselves in an awkward position. There have been some worrying signs. The U.S. government stopped talking about its plan to intercept a missile from the North, and U.S. National Intelligence Director Dennis Blair acknowledged that North Korea is planning to launch a satellite. Experts are not sure whether the U.S. would aggressively seek to implement U.N. (Security Council) Resolution 1718 that calls for sanctions against North Korea. If the U.S. takes a lukewarm attitude, the Lee Myung-bak Administration would inevitably hit a snag. This is because there will be few effective options for the ROK to employ unilaterally without U.S. cooperation, and domestic voices calling for aid to the North will grow louder. Leftists will increase their propaganda offensive, saying that today's situation is attributable to the Lee Myung-bak Administration's principled stance on North Korea.

However, we have the Maginot line. We should make it clear that we will not agree to any compromise that would allow any form of a North Korean nuclear program to exist and that we will not bear the entire price for eliminating North Korea's nuclear programs. Otherwise, we should even start considering whether to withdraw from the Six-Party Talks. The reason (for considering a withdrawal from the Six Party Talks) is that the Six-Party Talks are only a cover for bilateral contact between the U.S. and North Korea, and we do not know how long we have to remain involved in this situation without receiving anything in return.

Safety Guarantees Needed at Kaesong Complex  
(Dong-a Ilbo, March 16, 2009, Page 31)

North Korea closed its border on Friday without explanation just three days after it had reopened it. As a result, 727 South Koreans

have been stranded in the North for four days. Pyongyang is making a huge mistake, however, if it believes it can leverage the inter-Korean industrial complex in Kaesong to get its way. Its erratic behavior will only invite a backlash from South Korea and the world, and Pyongyang will be left alone to suffer all the consequences.

North Korea has consented to an agreement to ensure access, communication and customs clearance, and another to guarantee the safety of South Korean workers entering and residing at the complex.

Pyongyang also promised to protect the rights and interests of investors by enacting a civil law on governing the complex in 2002. Unfortunately the North broke the pact with South Korea and also violated its self-imposed law. Under such circumstances, no one can trust North Korea and engage in economic cooperation with it. The North is hastening its own demise with a closed economy.

The South Korean government delivered a verbal message urging an immediate reopening of the border. The ball is in North Korea's court, however, and this is lamentable. Fundamentally, former Presidents Kim Dae-jung and Roh Moo-hyun should take responsibility for the latest incident for their indulgence in the "sunshine policy" that prioritized ostensible improvement in inter-Korean relations over South Koreans' safety. They consider the Mount Kumgang resort and the industrial complex to be the policy's biggest successes, but the resort project has been suspended for eight months due to the killing of a South Korean tourist by a North Korean soldier last summer. The complex is now being held hostage

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under Pyongyang's political whims.

As if they were spokesmen for North Korea, the main opposition Democratic Party and pro-North Korea groups are blaming South Korean President Lee Myung-bak for everything since he failed to carry on the sunshine policy. In the face of a missile threat from Pyongyang, it is outrageous for them to dump all the blame onto the South Korean government, whose only mistake was to strive for inter-Korean economic cooperation and exchanges. Such division is exactly what Pyongyang wants. The North is waiting for Seoul to surrender and apologize by driving a wedge within the South Korean public.

The Kaesong complex cannot continue to run without assurances for the safety of South Korean workers. Seoul needs to come up with fundamental solutions this time. With no prospects of political and military dtente between the two Koreas, bilateral economic cooperation projects could derail at any time. Unless Pyongyang immediately reopens the border and provides a strong security guarantee, Seoul should make it clear that it can give up the Kaesong complex altogether. The international community should deal with the civilian-threatening North with a clear understanding of its true intentions.

\* This is a translation provided by the newspaper, and it is identical to the Korean version.

#### Missile Madness (JoongAng Ilbo, March 14, 2009, Page 30)

On Thursday, North Korea notified the International Maritime Organization and the International Civil Aviation Organization of its plan to launch an experimental satellite, Kwangmyongsong-2. The intention is to demonstrate in an indirect way that North Korea possesses high-level missile technology advanced enough to send an intercontinental ballistic missile to the United States. The entire international society, including the United States, Japan, China, Russia and the United Nations as well as South Korea, expressed concern and opposition, but North Korea doesn't care at all about their response. Worries grow that weeks-long diplomatic efforts to dissuade North Korea from conducting the launch will eventually fail.

The North's missile experiment will shake the balance of security over all of Northeast Asia. First of all, it will stir Japan's

anxiety over safety. In 1998 Japan seethed at North Korea's launch of a rocket that flew over the Japanese islands.

Because of the launch, right-wing forces in Japan easily called for enhancement of military capacity and such capacity was, indeed, boosted. The same will happen this time too if the North goes ahead with its plan. That's why some say right-wingers in Japan would welcome North Korea's missile test-

After North Korea's 1998 missile launch, Japan actively participated in the U.S.-led missile defense system. So far, Japan has focused on enhancing its defense capacity but that could change. Japan has already amended its pacifist constitution and now the "normal state theory" (which means the country must have a strong military capacity to match its economic power as the world's second-largest economy) is widely accepted. The normal state theory, despite its name, means that Japan wants to be a military superpower with the capacity to attack. North Korea's missile launch will provide decisive support to Japanese right-wing forces who want their country to become a military powerhouse.

Japan's enhancement of its military capacity will inevitably stimulate China and Russia as well as us. North Korea's missile will come back at it like a boomerang. An armament race will certainly put a burden on strong countries, but it will be a calamity to us and to North Korea, because we have no chance of winning the armament race against strong countries. North Korea's missile blocks an opportunity for Northeast Asian countries to prosper

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together in peace.

North Korea must stop toying with its missile because it will only harm itself.

\* This is a translation provided by the newspaper, and it is identical to the Korean version.

Seoul Must Deal More Firmly with N. Korea  
(Chosun Ilbo, March 16, 2009, Page 35)

North Korea has effectively detained about 720 South Koreans working at the joint Kaesong Industrial Complex since Friday. On Thursday, Pyongyang notified international agencies that it would launch a satellite, which is widely believed in the West to be a long-range ballistic missile. The North has been continuing to threaten land, sea and air skirmishes since last fall.

Late last year it cut off official inter-Korean communication channels and suspended Kaesong tourist tour and railroad transportation between Seoul and Kaesong. This year it raised objections to the Northern Limit Line, the de facto marine border off the west coast, declared inter-Korean political and military agreements null and void, threatened clashes along the DMZ, and warned it could not guarantee the safety of passenger jets flying through its airspace.

Against all this, our government has presented no clear-cut response other than to wait and see. North Korea's effective detention of more than 720 South Koreans is a serious provocation threatening the safety of our countrymen. All the government has done is to protest and ask the North to please reopen the border. Of course the government has to be careful because the approximately 720 South Koreans are effectively being held hostage in Kaesong and the government has limited room to maneuver because of the symbolic significance of the joint industrial park.

But the development this time around has been anticipated to an extent. North Korea blocked the border on Monday and reopened it the next day. The North expelled all South Korean government officials from the Kaesong industrial park late last year. The fate of South Koreans was virtually left in the hands of the North, without any proper response.

The government should have prepared for an emergency. If it had

made it clear when the North first closed and then reopened the border last week that business at the Kaesong industrial park cannot carry on unless Pyongyang pledges to keep the border open, we would not be in the same situation again.

As for the North's preparations for a missile launch, the government is also merely waiting to see what Pyongyang does. After the North notified international agencies of its so-called satellite launch, the government here seems to have decided there is now nothing it can do.

Since the signs of the imminent missile test were detected in early February, the government attempted to prevent it through cooperation with the U.S. That Pyongyang apparently ignores such diplomatic pressure either means it has no respect for the ROKG or that the ROKG lacks the requisite resolve.

Recently Washington is said to have been reluctant to share intelligence on North Korea with Seoul, out of a suspicion that Seoul keeps leaking it. Cooperation over North Korea can hardly move forward in such a situation. The government must reassure the public that it is fully prepared to deal with North Korean provocations, instead of being left helpless to deal with them.

\* This is a translation provided by the newspaper, and it is identical to the Korean version.

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Casting Doubt on Kaesong's Future  
(Hankyoreh Shinmun, March 16, 2009, Page 23)

It is inexcusable that North Korea has again, beginning Friday, prohibited Southerners from traveling to and from the Kaesong Industrial Complex. If arbitrary decisions like this continue it will cast doubt on the complex's future. ROK companies that have invested there are already being hurt by this.

This move on the part of the North directly violates the "Agreement on the Entrance to and Sojourn at the Kaesong Industrial Complex and Mount Kumgang Tourism Zone" that exists between North and South Korea. It also violates the North's own Kaesong Industrial Zone Law. It also hurts the spirit of inter-Korean economic cooperation and damages South Korean public opinion. When the North blocked free passage to and from Kaesong on March 9, it said it was doing so because of the "Key Resolve" joint U.S.-South Korea military exercises. Not liking the war games does not justify attacking the Kaesong Industrial Complex project. What other country is going to trust North Korea enough to invest there if this model of inter-Korean economic cooperation fails?

What North Korea needs to do is clear. For starters, it has to make sure people from the ROK and their goods can freely travel between Kaesong and the South. Then it needs to convince the South and the whole world that nothing like this is ever going to happen again. Even if it allows travel to resume, companies in the complex are going to remain ill at ease. Pyongyang has a basic responsibility to create conditions in which ROK citizens can relax and go about their work.

The Lee Myung-bak Administration needs to take effective action to quickly bring the situation to an end. It should not be too lax due to unrealistic optimism and it should not make matters worse by overreacting. It also needs to completely reevaluate its North Korea policy. The reason why things have come to this is due to the continuing deterioration of relations (between North and South) since the start of the Lee Administration, and because there are limits to what the administration can do by just "managing" the developments as they happen. The Key Resolve exercises will end on March 20, but if there continues to be a lack of trust between the two sides you will never know when something like this can happen again. The Lee Administration needs to give some serious thought as to why the North is reacting so sensitively to this year's joint South Korea-U.S. military exercises.

The Kaesong Industrial Complex enterprise has already suffered a lot of damage. It is of no help to either the North or South to have it be the focus of so much negative news coverage. The North and South urgently need to make the right decision and engage each other in dialogue.

\* This is a translation provided by the newspaper, and it is identical to the Korean version.

## FEATURES

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Crisis Hurting Korean Professionals Seeking Jobs in U.S. (Dong-a Ilbo, March 14, 2009, Page 11)

By Washington Correspondents Ha Tae-won and Lee Ki-hong

A 39-year-old Korean worker at an information technology company in Boston with an H-1B visa for professionals turned on his computer at work. In an e-mail message from the company's personnel department, he was told he would be laid off.

He was told to leave his office by 5 p.m. the day he received the notification.

"While I was packing up, the personnel officer watched me nearby," he said. "I felt so bad because the officer apparently wanted to

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ensure that I didn't take any c-o-n-f-i-d-e-n-t-i-a-l documents from my computer," the worker said.

For another Korean who graduated from a prestigious U.S. business school and dreamed of working on Wall Street, the past several months have been a nightmare.

While working at a New York hedge fund with an optional practical training visa after graduation, his employer promised him an H-1B visa. His boss reneged on the pledge amid the economic crisis, so the 28-year-old Korean had to go home since his training visa was valid for just one year.

Amid the economic crisis, Korean professionals with degrees earned in the United States are losing their jobs.

American companies provide H-1B visas for nearly 120,000 employees. The road to acquire the visa is long and rough, however, as more than one million people want it every year. Moreover, the implementation of the Troubled Asset Relief Program has led to fewer job opportunities for non-citizens since the inauguration of President Barack Obama.

The program requires a company receiving government funds to prove that it tried to employ U.S. citizens before hiring foreigners, and that the foreigners to be employed are the most qualified for the positions offered.

In letters to foreign students, job placement centers at business schools, including Harvard and (University of) Pennsylvania, conveyed the information. They tell students that job offers by U.S. companies could be withdrawn due to the economic crisis.

A Korean set to earn a graduate degree from a New York school in the spring is desperate for a job. General Electric, American Express and many other U.S. companies that previously were relatively generous to overseas students with jobs, have allowed only Americans and permanent residents to apply for internships this year.

Certain students are going back to school. A Korean who received an MBA from George Washington University will seek a degree in information technology at the school because of difficulty in finding a visa sponsor.

Others go so far as to defer their theses to maintain their foreign student status, though that means they must keep paying high

tuition. A Korean in Virginia who is on the verge of finishing his dissertation said he plans to stay a student for another semester.

The delayed ratification of the Korea-U.S. Free Trade Agreement is also preventing many Koreans from getting jobs in the United States.

The accord allows for a job visa quota for Koreans separate from the annual limit on the number of the H-1B visas issued.

Experts in the United States have warned of the increasing exodus of foreign professionals to their home countries and the consequences of their departures for America.

The Washington Post said, "When smart young foreigners leave these shores, they take with them the seeds of tomorrow's innovation.

\* This is a translation provided by the newspaper, and it is identical to the Korean version.

STEPHENNS